110TH CONGRESS
1ST SESSION

S. 1700

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

IN THE SENATE OF THE UNITED STATES

JUNE 26, 2007

Mr. CHAMBLISS introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

---

A BILL

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''International Nuclear Fuel for Peace and Nonproliferation Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—INTERNATIONAL REGIME FOR THE ASSURED SUPPLY OF NUCLEAR FUEL FOR PEACEFUL MEANS

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) Since the United States Baruch Plan of 1946, the United States has believed that an increase in the number of countries that possess nuclear weapons and the means to create such weapons makes the world less secure and stable by increasing the chances that nuclear weapons would be used. A world in which nuclear weapons are used again is less secure for all concerned, and could well trigger a global arms race, as more countries will be tempted to arm themselves with nuclear weapons to pre-

vent attacks by countries that possess nuclear weapons.

(2) It is therefore in the general security interest of all countries, and in the vital national security interest of the United States, that the number of countries that possess a nuclear weapons capability necessarily be kept to a minimum and ultimately reduced.

(3) Uranium enrichment and spent-fuel reprocessing facilities produce nuclear material that can either be used for peaceful purposes in electricity-generating reactors, or can be used to produce uranium and plutonium for nuclear weapons. As such, these facilities are inherently a proliferation risk, allowing their possessor to be just months away from the production of a nuclear explosive device.

(4) It is also therefore in the general security interest of all countries that the number of countries that operate uranium enrichment and spent-fuel reprocessing facilities also be kept to a minimum, consistent with the global demand for nuclear power reactor fuel.

(5) The financing and construction of additional uranium enrichment and spent-fuel reprocessing facilities in additional countries around the world

is indefensible on economic grounds alone, given current and future supplies of uranium and existing providers of uranium enrichment and spent-fuel reprocessing services to the world market.

(6) The desire to construct uranium enrichment and spent-fuel reprocessing facilities by additional countries, therefore, is often based upon considerations other than economic calculations. The possession of such facilities is often elevated to a matter of national pride—a demonstration to the world that the country that possesses this technology has arrived at a level of technological development comparable to that of the United States and other countries with advanced civil nuclear power programs.

(7) Furthermore, the acquisition of uranium enrichment and spent-fuel reprocessing facilities can be perceived as a demonstration of the developing world's independence from technological domination by the more developed states. Article IV of the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968 (21 UST 483; commonly referred to as the ''Nuclear Non-Proliferation Treaty'' or the ''NPT''), recognizes that State Parties have an ''inalienable right . . . to develop research, production and use of

nuclear energy for peaceful purposes without discrimination''. However, this is a qualified right conditioned by a State Party acting in conformity with the NPT's obligation for such countries not to acquire, possess, or develop nuclear weapons or nuclear explosive devices.

(8) It has been long recognized that the proliferation of national uranium enrichment and spent-fuel reprocessing facilities would increase the likelihood of the emergence of new nuclear weapon states. Concerned governments, nongovernmental organizations, and individual experts have for decades recognized the need to address this problem through multilateral assurances of the uninterrupted supply of nuclear fuel, the sharing of peaceful application of nuclear energy, an international fuel bank to provide fuel if the fuel supply to a country is disrupted, and even multilateral participation in international uranium enrichment and spent-fuel reprocessing facilities, as a means of reducing incentives of countries to develop and construct such facilities themselves.

(9) Until recently, such efforts have produced little more than reports. However, the revelations of a nuclear black-market in uranium enrichment technology and equipment, combined with the attempt

by North Korea and Iran to possess such technology and equipment to provide the basis for nuclear weapons programs, have rekindled this debate with a new urgency.

(10) Iran has used the specter of a potentially unreliable international supply of nuclear reactor fuel as a pretext for developing its own uranium enrichment and spent-fuel reprocessing capability, which would enable Iran to also produce weapons-grade uranium and plutonium for nuclear weapons.

(11) Several initiatives have been proposed over the last year to address these concerns. The United States has proposed the Global Nuclear Energy Partnership (GNEP), which envisions a consortium of countries with advanced nuclear capabilities providing nuclear fuel services—fresh fuel and recovery of used fuel—to other countries that agree to employ nuclear energy only for power generation purposes, without possessing national uranium enrichment and spent-fuel reprocessing facilities.

(12) The United States also joined France, the Russian Federation, Germany, the United Kingdom, and the Netherlands on May 31, 2006, in proposing a ''Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel'' that would facilitate or

create new arrangements between suppliers and recipients to provide fuel to countries with good nonproliferation credentials in case of market failure.

(13) Any assurance of the supply of nuclear fuel should meet the condition outlined by President George W. Bush on February 11, 2004: ''The world's leading nuclear exporters should ensure that states have reliable access at reasonable cost to fuel for civilian reactors, so long as those states renounce enrichment and reprocessing.''.

(14) The Russian Federation has proposed that one of its uranium enrichment facilities be placed under international management and oversight, as part of a ''Global Nuclear Power Infrastructure'' proposal to create international nuclear fuel cycle centers.

(15) In conclusion, the creation of a multitiered system to assure the supply of nuclear reactor fuel at current market prices, under appropriate safeguards and conditions, could reassure countries that are dependent upon or will construct nuclear power reactors that they will have an assured supply of nuclear fuel at current market prices, so long as such countries forgo national uranium enrichment

and spent-fuel reprocessing facilities and are committed to the nonproliferation of nuclear weapons.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the ''Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel'', proposed by the United States, France, the Russian Federation, Germany, the United Kingdom, and the Netherlands on May 31, 2006, is welcomed and should be expanded upon at the earliest possible opportunity;

(2) the proposal by the Government of the Russian Federation to bring one of its uranium enrichment facilities under international management and oversight is also a welcome development and should be encouraged by the United States;

(3) the offer by the Nuclear Threat Institute (NTI) of $50,000,000 in funds to support the creation of an international nuclear fuel bank by the International Atomic Energy Agency (IAEA) is also welcomed, and the United States and other member states of the IAEA should pledge collectively at least an additional $100,000,000 in matching funds to fulfill the NTI proposal; and

(4) the governments, organizations, and experts currently engaged in developing the initiatives de-

scribed in paragraphs (1) through (3) and other initiatives should seek to identify additional incentives to be included in an international regime for the assured supply of nuclear fuel for peaceful means at current market prices, including participation in non-weapons-relevant technology development and fuel leasing to further persuade countries that participation in such a multilateral arrangement far outweighs the temptation and expense of developing national uranium enrichment and plutonium reprocessing facilities.

SEC. 103. STATEMENTS OF POLICY.

(a) GENERAL STATEMENT OF POLICY.—It is the policy of the United States to support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means under multilateral authority, such as the International Atomic Energy Agency.

(b) ADDITIONAL STATEMENT OF POLICY.—It is further the policy of the United States to—

(1) oppose the development of a capability to produce nuclear weapons by any non-nuclear weapon state, within or outside of the NPT;

(2) encourage states party to the NPT to interpret the right to ''develop research, production and use of nuclear energy for peaceful purposes,'' as de-

scribed in Article IV of the NPT, as being a qualified right that is conditioned by the overall purpose of the NPT to prevent the spread of nuclear weapons and nuclear weapons capability, including by refraining from all nuclear cooperation with any state party that has not demonstrated that it is in full compliance with its NPT obligations, as determined by the International Atomic Energy Agency; and

(3) strengthen the Nuclear Suppliers Group guidelines concerning consultation by members regarding violations of supplier and recipient understandings by instituting the practice of a timely and coordinated response by Nuclear Suppliers Group members to all such violations, including termination of nuclear transfers to an involved recipient, that discourage individual Nuclear Suppliers Group members from continuing cooperation with such recipient until such time as a consensus regarding a coordinated response has been achieved.

SEC. 104. REPORT.

Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the activities of the United States to support

the establishment of an international regime for the assured supply of nuclear fuel for peaceful means at current market prices under multilateral authority, such as the International Atomic Energy Agency. The report shall include an assessment of the feasibility of establishing an international fuel services center within the United States.

TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

SEC. 201. VOLUNTARY CONTRIBUTIONS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY.

(a) VOLUNTARY CONTRIBUTIONS AUTHORIZED.—The President is authorized to make voluntary contributions on a grant basis to the International Atomic Energy Agency (in this section referred to as the ''IAEA'') for the purpose of supporting the establishment of an international nuclear fuel bank to maintain a reserve of low-enriched uranium for reactor fuel to provide to eligible countries in the case of a disruption in the supply of reactor fuel by normal market mechanisms.

(b) REQUIREMENTS.—Voluntary contributions under subsection (a) may be provided only if the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that—

(1) the IAEA has received pledges in a total amount of not less than $100,000,000 and is in receipt of not less than $75,000,000 of such pledges for the purpose of supporting the establishment of the international nuclear fuel bank referred to in subsection (a);

(2) the international nuclear fuel bank referred to in subsection (a) will be established within the territory of a non-nuclear weapon state, and will be under the oversight of the IAEA, only if—

(A) the non-nuclear weapon state, among other things—

(i) has a full scope safeguards agreement with the IAEA and an additional protocol for safeguards in force;

(ii) has never been determined by the IAEA Board of Governors to be in noncompliance with its IAEA full scope safeguards agreement and its additional protocol for safeguards; and

(iii) has effective enforceable export controls regarding nuclear and dual-use nuclear technology and other sensitive materials comparable to those maintained by the United States; and

(B) the Secretary of State has never determined, for purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), or any other provision of law, that the government of the non-nuclear weapon state has repeatedly provided support for acts of international terrorism;

(3) the international nuclear fuel bank referred to in subsection (a) will provide nuclear reactor fuel to a country only if, at the time of the request for nuclear reactor fuel—

(A) the country is in full compliance with its IAEA safeguards agreement and has an additional protocol for safeguards in force;

(B) in the case of a country that at any time prior to the request for nuclear reactor fuel has been determined to be in noncompliance with its IAEA safeguards agreement, the IAEA Board of Governors determines that the country has taken all necessary actions to satisfy any concerns of the IAEA Director General

regarding the activities that led to the prior determination of noncompliance;

(C) the country agrees to use the nuclear reactor fuel in accordance with its IAEA safeguards agreement;

(D) the country has effective and enforceable export controls regarding nuclear and dual-use nuclear technology and other sensitive materials comparable to those maintained by the United States;

(E) the country does not possess uranium enrichment or spent-fuel reprocessing facilities of any scale; and

(F) the government of the country is not a state sponsor of terrorism for purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), or any other provision of law;

(4) the international nuclear fuel bank referred to in subsection (a) will not contain uranium enrichment or spent-fuel reprocessing facilities; and

(5) the nuclear reactor fuel referred to in paragraph (3) will be provided to a country referred to in such paragraph only at current market prices.

(c) WAIVER.—The President may waive the requirement of subparagraph (F) of subsection (b)(3) if the President—

(1) determines that it is important to the national security interests of the United States to do so; and

(2) transmits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report that contains the basis of the determination under paragraph (1).

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize voluntary contributions under subsection (a) to support subsidization of the price of nuclear reactor fuel whose supply would be assured by the United States, the IAEA, or any other state or international entity covered by this section.

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the President $50,000,000 for fiscal year 2008 to carry out section 201.

(b) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until September 30, 2010.

○